

ASSEMBLY BILL NO. 3273

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 3273 without my approval.

The New Jersey Medicaid program faces a huge budget shortfall in Fiscal Year 2012 due to the loss of nearly one billion dollars in non-recurring federal stimulus funding. This bill would exacerbate that dramatic budget gap by expanding the Medicaid program and increasing Medicaid costs completely outside the State's annual budget process. It would be financially irresponsible to increase Medicaid costs and expand Medicaid eligibility in the face of such a serious deficit in the Medicaid program.

Specifically, this bill would amend the Fiscal Year 2011 appropriations act to require the State, within 60 days of enactment, to submit a Medicaid State Plan Amendment to the federal government expanding Medicaid coverage for family planning services to individuals whose income is up to 200 percent of the federal poverty level. Additionally, the bill would require the Department of Health and Senior Services, the Department of Children and Families, and the Office of Management and Budget in the Department of the Treasury to file a joint report detailing all the amounts the State spent in fiscal year 2009-2010 and fiscal year 2010-2011 in various accounts on family planning services to individuals whose income is more than 133 percent but not more than 200 percent of the federal poverty level. Failure to satisfy any of these requirements would, under the bill, result in the immediate elimination of legal authorization to spend the remaining balance of the unexpended 2010-2011 direct state services

appropriation for the Division of Medical Assistance and Health Services in the Department of Human Services.

This bill strikes me as another politically-calculated attempt to undermine the budget process which resulted in a bipartisan Fiscal Year 2011 appropriations act. In the Fiscal Year 2011 appropriations act, the State had to close a staggering budget shortfall of nearly \$11 billion. As a result, extremely difficult decisions were made in order to meet New Jersey's constitutional requirement to balance its budget during this unprecedented fiscal crisis. This reality is not unique to New Jersey, as States across the country are forced to consider the elimination or reduction of numerous programs.

Despite this economic crisis, however, our administration has been able to maintain funding for health care services for New Jersey's women and children and low-income families. The Fiscal Year 2011 budget continued my administration's commitment to ensuring that the most vulnerable have access to comprehensive health care services.

For example, the Fiscal Year 2011 budget ensures that New Jerseyans will continue to have access to comprehensive reproductive health care services, including through Federally Qualified Health Centers ("FQHCs"), local health department clinics, free standing clinics, and hospital-based clinics. Moreover, the Fiscal Year 2011 budget provides an increase of \$85 million in charity care and hospital funding, \$40 million in funding for FQHCs, funding for cancer screenings for low-income families through the New Jersey Cancer Education and Early Detection program ("NJCEED"), which among other things funds mammograms and pap smears, colorectal exams and prostate screenings, and over \$20 million in funding for health services for low-income families. These health services include programs

that serve low-income women and children with chronic diseases, birth defects, and special health care needs such as cystic fibrosis, childhood lead poisoning screening and environmental inspections of homes with suspected lead hazards, prenatal care, fetal alcohol syndrome, and hemophilia treatment.

Although we are beginning to turn the corner, our fiscal challenges are far from over. A large component of the State's fiscal resources are spent on the State's Medicaid program. In total, New Jersey's Medicaid and Children's Health Insurance programs provide health insurance coverage to approximately 1.3 million individuals. While our Medicaid caseload continues to grow, our federal funding is decreasing dramatically. For example, in Fiscal Year 2012, it is anticipated that the State's Medicaid Program faces a budget shortfall of nearly \$1.1 billion -- roughly \$1 billion of which is due to the reduction in the enhanced Federal Medical Assistance Percentage ("FMAP") provided through the American Recovery and Reinvestment Act. This legislation will add to that gap in both the short term and the long term.

Furthermore, if New Jersey pursued the option set forth in this bill, it would expand the Medicaid program to an entirely new population of men and women who are not otherwise categorically eligible for Medicaid. As the State continues to confront its significant Medicaid shortfall, this piecemeal approach does not make sense from an overall fiscal and healthcare policy perspective.

Accordingly, I herewith return Assembly Bill No. 3273  
without my approval.

Respectfully,

Chris Christie  
Governor

Attest:

Jeffrey S. Chiesa  
Chief Counsel to the Governor